



Medicare Part D - Prescription Drug Coverage For People Who Get Supplemental Security Income Or Participate in Medicare Saving Programs

Fact Sheet

August 2005

In 2003, the federal government created a prescription drug benefit for individuals who qualify for the federal Medicare health coverage program. This new benefit affects people who participate in both Medicare and Medicaid, the federal-state funded health coverage program for low-income persons.

How will people who participate in the Medicare Savings Program be affected?

- **Beginning January 1, 2006, people who qualify for Medicare can receive their medications through a Medicare Prescription Drug Plan.**
- The federal government will send notices about the new coverage this fall to people who qualify for Medicare.
- People who participate in the Medicare Savings Program can choose a Medicare Prescription Drug Plan any time between November 15, 2005 and May 15, 2006.
- If they do not join a plan, the federal Centers for Medicare and Medicaid Services (CMS – Medicare) will enroll these individuals in plan.

How many people are affected by this change?

- There are about 100,000 individuals in North Dakota who qualify for the Medicare Drug Plan (Part D).
- About 2,400 North Dakotans participate in the Medicare Savings Program. Under this program, Medicaid helps pay for their Medicare Part A and/or Part B premiums – NOT their prescriptions.

- For a definition of Medicare/Medicaid dual eligibles see www.cms.hhs.gov/dualeligibles/bbadedef.asp

NOTE: For information about people who participate in both Medicaid and Medicare and whose prescriptions were paid for by Medicaid (called **Dual Eligibles**) see the department's other Medicare Part D fact sheet.

If Medicaid pays for your Medicare Part A and/or B premiums, what should you know about the new prescription drug program?

- Medicare can start paying for most of the costs of your prescriptions on January 1, 2006, if you enroll in a Medicare Prescription Drug Program.
- N.D. Medicaid will continue to pay for your Medicare Part A and/or Part B premiums, if you continue to qualify.
- **N.D. Medicaid WILL NOT pay for your costs associated with the new Medicare Part D prescription drug program.**
- Because you qualify for the Medicare Savings Program, you automatically qualify for extra help for your Medicare prescription drug costs.

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What you need to know: (continued)

- Medicare Prescription Drug Plans will vary by state, and by out-of-pocket cost, the drugs covered, and the participating pharmacies.
- Details about plans will be available in the fall of 2005.
- You can join the Medicare Prescription Drug Plan of your choice between November 15, 2005 and May 15, 2006.
- If you don't join a plan by May 15, 2005, the federal Medicare agency will enroll you in a plan to make sure you get help paying for your prescription drug costs.
- Before choosing a plan (or if Medicare enrolls you in a plan after May 15, 2006 because you didn't act), you should **review the plan to make sure that it meets your needs.**
 - **Does the plan cover the medications you need?**
 - **Does your pharmacist participate in the plan?**
 - Plan information will be included in the *Medicare & You Handbook 2006* that CMS is mailing to all Medicare beneficiaries this fall.
 - Plan information will also be available at www.medicare.gov or by contacting 1-800-MEDICARE (1-800-633-4227), TTY 1-877-486-2048.
 - After joining a plan, you can change plans.

Other Resources on Part D:

- www.accesstobenefits.org
- The **N.D. Insurance Department's Senior Health Insurance Counseling** program (SHIC) will help people review prescription drug plan options. **Contact SHIC at 1-888-575-6611.**

- The N.D. Department of Human Services' Aging Services Division and the N.D. Center for Persons with Disabilities (Medicaid Infrastructure Grant) are providing staff and equipment (1 in each of the 8 administrative regions) to help people review plans and apply. To locate these Medicare specialists, call the Senior Info Line at 1-800-451-8693 between 8 a.m. and 5 p.m.

How will the new Medicare drug coverage affect N.D.?

- During the state fiscal year that ended June 30, 2004, N.D. Medicaid spent \$45.9 million on medications. Individuals who qualify for both Medicaid and Medicare accounted for 54 percent of these expenditures.
- The Medicaid Modernization Act of 2003 requires states to pay part of the drug costs of people who are shifting from Medicaid to Medicare drug coverage. In 2006, the state's share or "clawback" is 90 percent of the state's 2003 per capita drug expenditures for dual eligible individuals, plus inflation factors. The percentage of per capita expenditures in the funding formula will fall to about 75 percent over the next 10 years. The **state does not expect significant savings** in its Medicaid budget.

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